



## **CONTRA COSTA TRANSPORTATION AUTHORITY**

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### **MEMORANDUM**

**TO: Authority Members; Self-Help Counties Coalition Members**  
**CC: Other Interested Parties**  
**FROM: Bob McCleary, Executive Director**  
**DATE: September 1, 2004**  
**RE: "Rescue Transportation" Proposal**

Attached is a working draft "Rescue Transportation" proposal prepared by Bion Gregory, Esq., former Legislative Counsel of the State of California, along with other changes added by the steering committee listed below. The approach utilizes Article XIX of the State Constitution as a template for presenting proposed changes to transportation's legal, institutional and financial framework, including commentary on issues and conceptual descriptions of further revisions that might be incorporated.

Eric Haley of Riverside CTC, Mike Evanhoe, formerly manager of the Santa Clara VTA Congestion Management Agency, and I have served as the steering committee for this effort, which is now being distributed to the Self-Help Coalition members for their comments, as well as to other interested parties. It is envisioned that the final product will consist of both constitutional and statutory provisions and will be guided by Mr. Gregory's advice in that regard.

Governor Schwarzenegger's "California Performance Review" (CPR) report acknowledges that the current governance system in California is not working well, and contains dramatic proposals for reorganizing state government including transportation, which would become part of an "Infrastructure Department" directed by an "Infrastructure Commission." However, the authors of Rescue Transportation believe that subsuming transportation within such a structure would greatly de-emphasize California's transportation needs and impact the current partnership between the CTC and local agencies.

#### **Self-Help Coalition Proposal**

As the transportation funding crisis became more acute in 2003, executive staff of the Self-Help Counties Coalition proposed the development of a package of constitutional and legislative changes to significantly reform transportation funding and state transportation organizations at the annual Coalition Conference in November 2003. Specifically, as endorsed by the Authority at its November 19, 2003 meeting, the goals of the reform are to:

- (1) Provide greater stability for transportation funding and provide revenue more consistent with growth in travel demand than existing sources;
- (2) Create a "firewall" to remove any linkage between transportation funding and the state general fund;
- (3) Provide greater autonomy and more flexibility to Caltrans; and
- (4) Change the composition of the CTC to provide more autonomy and grant it the authority to set rates for transportation fees and taxes, within specified parameters, in order to accomplish the first goal.

**Summary of Key Provisions**

The following are key provisions of the proposal:

- Firewall Protection. Protect transportation funds with a firewall, removing any possibility of diverting them to non-transportation purposes with full constitutional protection;
- CTC Constitutionally Established. Designate the California Transportation Commission (CTC) as a constitutionally-established agency, with six-year, staggered terms for members, who would be appointed by the Governor and subject to legislative confirmation;
- CTC Approval of Budgets. Grant the CTC full authority to adopt its own budget and the budget of the California Department of Transportation (Caltrans), including staffing plans, compensation ranges, contracts for professional services, and project implementation;
- Biennial Budgets. Require biennial adoption of budgets for the CTC and Caltrans in even-numbered years, replacing the annual budgets now adopted by the Legislature. The Caltrans budget is linked to conformance with implementing the biennial State Transportation Improvement Program (STIP) adopted a few months prior to adoption of the budget;
- Independence from Other State Departments. Remove the CTC and Caltrans from the oversight of most other state agencies, including the Departments of Finance and General Services, the State Personnel Board, and the Office of Information Technology;
- CTC Appointment of Caltrans Director, Chief Legal Counsel. The CTC would appoint the Caltrans Director and Chief Legal Counsel, who would serve under contract at the pleasure of the Commission.
- Civil Service. Retain civil service provisions and PERS membership for CTC and Caltrans staff;
- Biennial Report and Revenue Adjustments. Require CTC to conduct biennial reviews of transportation revenues and expenditures in odd-numbered years, in order to determine whether a quantifiable need exists to raise the rates of taxes and/or fees, based on explicit consideration of a diverse range of factors. If the CTC determines that adjustments are warranted, it would have the authority to adjust transportation tax and fee rates once every two years. The adjustment would take effect within 90 days unless the Legislature enacted a bill, by  $\frac{3}{4}$  vote of each house, and the bill received the signature of the Governor, that voided all or part of the rate adjustments.
- Project Delivery Mechanisms. Add a broad range of project delivery mechanisms, including design-build, pre-qualifications, "best-value" procurements, etc.

This material is being circulated as a draft proposal to initiate discussion. Items where significant consensus can be reached among transportation interests will be advanced for legislative consideration, and it is possible that the material may lead to also a voter-initiated measure to "Rescue Transportation."

Attachment:  
Proposed Article XIX Changes, Working Draft 8.